

The Honorable Karen A. Overstreet
Chapter: 11
Hearing Date: December 6, 2013
Hearing Time: 9:30 am
Response Date: November 29, 2013

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

In Re:) No. 13-19746-KAO
)
CLI HOLDINGS, INC. dba ALYDIAN,) **SUPPLEMENTAL DECLARATION OF**
) **PETER VESSENES IN SUPPORT OF**
Debtor.) **MOTION TO REJECT EXECUTORY**
) **CONTRACTS**
)

I, Peter J. Vessenes, make this supplemental declaration in support of the Debtor's
Motion to Reject Executory Contracts.

1. I am the Managing Director of the debtor, CLI Holdings, Inc. dba Alydian
("Alydian"). I have personal knowledge of these facts stated herein.

2. Bitvestment Partners, LLC ("Bitvestment") claims to be the successor in interest to
Dalsa Barbour, LLC under the Amended and Restated Bitcoin Services between Alydian and
Dalsa Barbour, LLC (the "Agreement") attached to my November 15, 2013 declaration as
Exhibit. F. The parties to the Agreement are CoinLab, defined jointly as CoinLab Inc. and CLI
Holdings, Inc. and Dalsa Barbour, LLC (the "Customer").

3. Alydian never entered into any contract with Bitvestment Partners, LLC. Alydian
denies agreeing to any assignment of the Agreement from Dalsa Barbour LLC to Bitvestment
LLC. Dalsa Barbour, LLC never requested an assignment of its rights under the Agreement.

4. The Agreement requires, under certain specified circumstances, that Alydian deliver 7,984.006735 bitcoins mined, after capital and operating expenses, to Dalsa Barbour, LLC. As of the petition date, November 1, 2013, Alydian had mined no bitcoins in excess of capital and operating expenses.

5. Although Alydian has continued to mine and is still mining bitcoins, given its most recent projections (*see* Schedules I and J) Alydian will be unable to mine sufficient bitcoins to perform under all of the Bitcoin Services Agreements which are the subject of this motion. Alydian anticipates that it will continue to mine bitcoins throughout the month of December 2013, and possibly through the end of the first quarter of 2014, depending on its exercise of business judgment.

6. On November 20 and 21, 2013, I personally attended a two-day evidentiary hearing in the U.S. District Court, Southern District of New York *Bitvestment Partners, LLC v. CoinLab Inc.* 13 CV 7632. A transcript of this hearing became available to me for the first time on December 2, 2013. Attached hereto and marked Exhibit A is an excerpt from the transcript of this hearing, consisting of the direct and redirect examinations of Mr. Daniel Gallancy.

I declare under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

Signed in Seattle Washington on this 3rd day of December 2013.

/s/ Peter J. Vessenes
Peter J. Vessenes